

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A280.3449
C39
Reserve

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 20

JUNE 1976

Number 11

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JUNE 1976

The Chattanooga Order Minimum uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$10.30 and Excess Milk - \$8.32. The producer butterfat differential is 10.9 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of \$1.40 and \$1.19 respectively above June 1975.

In June 1976, 72.72% of the producer milk received by pool plants was priced in Class I at \$10.59 per cwt. and 10.04% was priced in Class II at \$8.42 per cwt. and 17.24% was priced in Class III at \$8.32 per cwt. The June 1976 butterfat differential for all milk testing above or below 3.5% is 10.9 cents.

Total producer milk received during June 1976 was 29,767,966 pounds which is an increase of 1,181,415 pounds or 4.1% compared with June 1975. Deliveries of producer Base milk exceeded producer milk in Class I by 3,493,540 pounds or percentagewise only 86.10% of Base milk was used in Class I. The June 1976 daily average deliveries from 500 producers was 1,985 pounds. This compares to 570 farms delivering a daily average of 1,672 pounds per day during June 1975.

MILK SUPPORT PRICES REMAIN UNCHANGED

Secretary of Agriculture, Earl L. Butz, announced on June 16 that the support price for manufacturing milk will remain unchanged at \$8.13 a hundredweight through September of 1976. The announcement indicated that the quarterly review of the milk price support situation for the 1976-1977 marketing year which began on April 1, 1976, was conducted during May and showed that no further adjustment in the price was called for at this time since milk production has been increasing.

Under the law the Secretary of Agriculture has the authority to set milk price supports at between 75% and 90% of parity. The \$8.13 figure, which became effective on April 1, 1976, represented 80% of parity at that time and it is estimated it will be the same percentage of parity on July 1.

The prices which the Commodity Credit Corporation (CCC) will pay for butter, cheese and nonfat dry milk in order to carry out the support levels for milk remains unchanged and are as follows: butter (U. S. Grade A at New York) 87.75 cents per pound, cheddar cheese 90.50 cents per pound and nonfat dry milk (spray) 62.40 cents per pound.

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	June '76	June	May	June
	Over	1976	1976	1975
	June '75			
Number of Plants - Pool		4	4	4
- Non-Pool		13	13	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 4.1	992,266	1,037,988	952,885
- Other Source	- 15.6	43,469	36,004	51,477
- Other Federal Order	+185.3	6,946	1,751	2,435
Non-Pool Plants - Cl. I Sales in Area	+ .6	50,789	59,828	50,482
TOTAL MILK RECEIPTS	+ 3.4	1,093,470	1,135,571	1,057,279

UTILIZATIONClass I Uses

Homogenized Milk	- 4.8	356,227	372,303	374,246
Lowfat - 2% Milk	+ 5.1	253,548	272,655	241,266
Skim and 1% Milk	+ 1.6	19,617	20,633	19,299
Buttermilk	- 0.7	58,750	59,096	59,153
Flavored Milk and Drink	+ 10.0	24,218	39,233	22,012
Sub-Total of Pkg. Items (Pool Plants)	- 0.5	712,360	763,920	715,976
Other, Shrinkage		5,200	2,924	6,270
Sales to Non-Pool Plants		3,978	3,041	-0-
In Area Sales by Non-Pool Plants	+ .6	50,789	59,828	50,482
TOTAL CLASS I USAGE	- .1	772,327	829,713	772,728

Class II Uses - Pool Plants Only

Sweet Creams - Routes	+ 3.1	2,628	2,634	2,549
Sour Cream and Dip - Routes	+ 12.1	1,853	1,885	1,653
Yogurt - Routes	+ 1.8	513	587	504
Frozen Desserts and Ice Milk Mixes	- 14.7	88,922	75,763	104,227
Other, Cottage Cheese, Inventory, etc.	- 22.7	43,839	41,183	56,748
Sales to Non-Pool Plants	+ 10.5	5,323	5,093	4,818
TOTAL CLASS II USAGE	- 16.1	143,078	127,145	170,499

Class III Uses - Pool Plants Only

Animal Feed and Dumped	+ 6.4	6,124	5,486	5,753
Class III Shrinkage	+ 3.8	16,210	16,844	15,623
Inventory Variation		12,541	7,372	29,325
Other, Overage, etc.		92	143	41
Bulk Sales to Non-Pool Plants	+126.0	143,098	148,868	63,310
TOTAL CLASS III USAGE	+ 56.1	178,065	178,713	114,052

IN AREA PACKAGE ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homogenized Milk	- 6.4	264,856	279,821	283,010
Lowfat - 2% Milk	+ 7.9	180,276	192,971	167,147
Skim and 1% Milk	- 0.1	13,635	14,927	13,648
Buttermilk	- 3.0	44,383	44,610	45,758
Flavored Milk and Drink	+ 12.1	18,196	32,277	16,225
Total Class I Disposition In-Area	- 0.8	521,346	564,606	525,788

CLASS I PKG. ROUTE DISPOSITION

In-Area by pool plants	- 1.0	470,557	504,778	475,306
In-Area by non-pool plants	+ .6	50,789	59,828	50,482

COMPUTATION OF WEIGHTED AVERAGE PRICE

Page 3

JUNE 1976	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	72.7163	554,460	21,646,149	\$10.59	\$2,292,327.18
Class II Producer Milk	10.0394	244,268	2,988,525	8.42	251,633.80
Class III Producer Milk	17.2443	286,398	5,133,292	8.32	427,089.89
TOTAL PRODUCER MILK	100.0000	1,085,126	29,767,966		2,971,050.87
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add ½ Producer-Settlement Fund Balance					15,043.78
Total Utilization Value @ 3.5% Test			29,767,966	\$10.031235	\$2,986,094.65
Less Producer-Settlement Fund Reserve			29,767,966	0.041235	
WEIGHTED AVERAGE PRICE @ 3.5% TEST			29,767,966	\$ 9.99	

COMPUTATION OF UNIFORM BASE AND EXCESS PRICES

June 1976	Product Pounds	Cwt. Price @ 3.5%	Excess Value	Total Value
Total Utilization Value 3.5% Test	29,767,966	xxx	xxx	\$2,986,094.65
Excess Milk Used in Class I	-0-	\$10.59		
Excess Milk Used in Class II	-0-	8.42		
Excess Milk Used in Class III	4,628,277	8.32	\$385.072.65	
UNIFORM EXCESS PRICE @ 3.5% TEST	4,628,277	8.32	xxx	385,072.65
Less FMP from unregulated supply plants allocated to Class I @ Wt. Av. Price	-0-	9.99	xxx	-0-
TOTAL VALUE OF BASE MILK	25,139,689	10.346278		2,601,022.00
Less Producer-Settlement Fund Reserve	25,139,689	.046278		11,634.15
UNIFORM BASE PRICE @ 3.5% TEST	25,139,689	\$10.30		\$2,589,387.85

JUNE 1976 MINIMUM PRODUCER PRICE CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 10.9¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$9.755	\$7.775	4.0	\$10.845	\$8.865	5.0	\$11.935	\$9.955
3.05	9.8095	7.8295	4.05	10.8995	8.9195	5.05	11.9895	10.0095
3.1	9.864	7.884	4.1	10.954	8.974	5.1	12.044	10.064
3.15	9.9185	7.9385	4.15	11.0085	9.0285	5.15	12.0985	10.1185
3.2	9.973	7.993	4.2	11.063	9.083	5.2	12.153	10.173
3.25	10.0275	8.0475	4.25	11.1175	9.1375	5.25	12.2075	10.2275
3.3	10.082	8.102	4.3	11.172	9.192	5.3	12.262	10.282
3.35	10.1365	8.1565	4.35	11.2265	9.2465	5.35	12.3165	10.3365
3.4	10.191	8.211	4.4	11.281	9.301	5.4	12.371	10.391
3.45	10.2455	8.2655	4.45	11.3355	9.3555	5.45	12.4255	10.4455
3.5	10.30	8.32	4.5	11.39	9.41	5.5	12.48	10.50
3.55	10.3545	8.3745	4.55	11.4445	9.4645	5.55	12.5345	10.5545
3.6	10.409	8.429	4.6	11.499	9.519	5.6	12.589	10.609
3.65	10.4635	8.4835	4.65	11.5535	9.5735	5.65	12.6435	10.6635
3.7	10.518	8.538	4.7	11.608	9.628	5.7	12.698	10.718
3.75	10.5725	8.5925	4.75	11.6625	9.6825	5.75	12.7525	10.7725
3.8	10.627	8.647	4.8	11.717	9.737	5.8	12.807	10.827
3.85	10.6815	8.7015	4.85	11.7715	9.7915	5.85	12.8615	10.8815
3.9	10.736	8.756	4.9	11.826	9.846	5.9	12.916	10.936
3.95	10.7905	8.8105	4.95	11.8805	9.9005	5.95	12.9705	10.9905

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/		
	Per Hundredweight			Butterfat	Per Hundredweight		
	Uniform	Base	Excess		Class I	Class II	Class III
June '75	\$8.61 2/	\$8.90	\$7.13	8.0¢	\$9.09	\$7.21	\$7.11
July	8.76 2/	9.12	7.40	8.8	9.17	7.45	7.35
Aug.	8.95	-	-	9.6	9.26	7.80	7.70
Sept.	9.40	-	-	10.1	9.50	8.37	8.27
Oct.	9.71	-	-	10.7	9.85	8.70	8.60
Nov.	10.20	-	-	11.2	10.42	8.94	8.84
Dec.	10.47	-	-	11.9	10.75	9.18	9.08
Jan. '76	10.67	-	-	9.9	10.99	9.00	8.90
Feb.	10.52	-	-	9.3	11.23	8.35	8.25
Mar.	10.45 2/	10.77	8.60	9.9	11.05	8.70	8.60
Apr.	9.93 2/	10.25	8.44	10.3	10.40	8.54	8.44
May	10.13 2/	10.51	8.30	10.3	10.75	8.40	8.30
June	9.99 2/	10.30	8.32	10.9	10.59	8.42	8.32
July	-	-	-	-	10.45	-	-
Aug.	-	-	-	-	10.47	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK					
	Chi. 92°	Chi. Area	Minn/Wisc.	Daily Average Pounds			Percentage Use		
	Butter	Powder	Mfg. Milk	Class	Class	Class	Per Class		
	¢ Lb.	¢ Lb.	Cwt. -3.5%	I	II	III	I	II	III
June '75	69.19	60.44	\$7.11	721,087	118,266	113,532	75.7	12.4	11.9
July	76.62	60.45	7.35	758,335	126,105	96,461	77.3	12.9	9.8
Aug.	83.56	61.44	7.70	774,089	122,771	68,717	80.2	12.7	7.1
Sept.	87.87	64.08	8.27	845,822	63,103	22,796	90.8	6.8	2.4
Oct.	93.04	68.29	8.60	802,424	61,598	42,129	88.6	6.8	4.6
Nov.	97.28	71.36	8.84	789,061	61,333	70,400	85.7	6.7	7.6
Dec.	103.62	71.17	9.08	781,138	56,999	106,216	82.7	6.0	11.3
Jan. '76	86.12	66.04	8.90	793,143	65,413	81,716	84.3	7.0	8.7
Feb.	80.94	64.25	8.25	776,243	73,379	174,585	75.8	7.2	17.0
Mar.	86.05	63.37	8.60	781,605	95,916	163,947	75.0	9.2	15.8
Apr.	89.52	62.90	8.44	791,241	81,999	182,017	75.0	7.8	17.2
May	89.88	62.71	8.30	769,885	89,542	178,561	74.2	8.6	17.2
June	95.02	62.69	8.32	721,538	99,618	171,110	72.7	10.0	17.3

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
June '75	18	1,057,279	772,728	4	570	952,885	802,710	3.71	1,672
July	18	1,097,026	811,262	4	625	980,901	782,023	3.64	1,569
Aug.	16	1,063,347	704,708	4	612	965,577	-	3.60	1,578
Sept.	16	1,077,503	908,919	4	540	931,721	-	3.66	1,725
Oct.	16	1,046,372	867,764	4	505	906,151	-	3.81	1,794
Nov.	15	1,035,802	845,453	4	501	920,794	-	3.87	1,838
Dec.	15	1,042,931	840,671	4	507	944,353	-	3.97	1,863
Jan. '76	15	1,065,845	872,481	4	509	940,272	-	4.03	1,847
Feb.	15	1,137,045	836,640	4	538	1,024,207	-	3.93	1,904
Mar.	15	1,150,288	844,441	4	506	1,041,468	892,803	3.82	2,058
Apr.	15	1,163,690	850,642	4	504	1,055,257	869,474	3.72	2,094
May	17	1,135,571	829,713	4	500	1,037,988	860,716	3.69	2,076
June	17	1,093,470	772,327	4	500	992,266	837,990	3.65	1,985

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross Minus Producer